“The Lifeline Fund: Money Well Spent?”
Hearing before the Subcommittee on Communications and Technology
April 25, 2013
Additional Questions for the Record
For Billy Jack Gregg

The Honorable Henry Waxman

1. Mr. Gregg, your testimony cited data claiming that eight states have more Lifeline subscribers than low income households – Alaska, Arkansas, Georgia, Louisiana, Maryland, Ohio, Oklahoma and Rhode Island. After our hearing, one analysis questioned this conclusion, arguing that your conclusions were based on outdated poverty statistics and an undercount of eligible recipients, among other issues. Would you like to respond?

   RESPONSE: My study used the most recent poverty statistics by state produced by the United States Census Bureau. The poverty data for incomes at or below 135% of the National Poverty Guidelines (FPG) comes from Table POV46, U. S. Census Bureau, Current Population Survey, 2012 Annual Social and Economic Supplement. Even though historic data will always vary slightly from current data, I do not believe the change in poverty statistics is so rapid that it detracts from the use of census data as a proxy for the current number of low-income households in each state. As I stated on page 7 of my written testimony: “The 135% FPG level was used as a proxy for the total potential number of participants in the Lifeline program, because households with incomes at or below 135% FPG generally qualify for all of the welfare programs that confer eligibility for Lifeline support.” In addition, I am aware of criticisms that census programs in general tend to undercount low-income individuals. See, for example, *2010 Decennial Census: Background & Issues*, Congressional Research Service (2012).

   Because of these issues, I recommended on page 12 of my written testimony that any state caps adopted for the Lifeline program “…should be based on the number of low-income households within each state, plus a 5% buffer to account for imprecision and lag in data.”